

House File 647 - Introduced

HOUSE FILE 647

BY KELLEY

A BILL FOR

1 An Act relating to a sales tax holiday for books, textbooks,
2 and instructional materials sold to college students.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 68A. a. The sales price of new or used
4 textbooks sold to students for classroom use at a postsecondary
5 educational institution if all of the following apply:

6 (1) The sale is made to a person who is a student at a
7 postsecondary educational institution in this state and who has
8 verified that status to the retailer.

9 (2) The books, textbooks, or instructional materials have
10 been uniquely identified and certified to a retailer by a
11 postsecondary educational institution as required for classroom
12 use.

13 (3) The sale takes place during one of the following:

14 (a) The period beginning at 12:01 a.m. on the third Monday
15 in August and ending at midnight on the following Tuesday.

16 (b) The period beginning at 12:01 a.m. on the third Monday
17 in January and ending at midnight on the following Tuesday.

18 b. For purposes of this subsection:

19 (1) "*Postsecondary educational institution*" means an
20 accredited higher education institution, as defined in
21 section 261.92, an Iowa community college, or a postsecondary
22 educational institution under the control of the state board
23 of regents.

24 (2) "*Textbooks*" means books and other instructional
25 materials and equipment used in attending a postsecondary
26 educational institution in this state, including books and
27 materials for extracurricular activities, which include
28 sporting events, musical or dramatic events, speech activities,
29 or programs of a similar nature. "*Textbooks*" does not include
30 instructional books and materials used in the teaching of
31 religious tenets, doctrines, or worship, the purpose of which
32 is to inculcate those tenets, doctrines, or worship.

33

EXPLANATION

34 This bill provides a sales tax exemption for the sales price
35 of books, textbooks, and instructional materials to students

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1 at postsecondary educational institutions in this state. The
2 exemption is available to sales in which the student verifies
3 his or her status as a student to the retailer, the items
4 being sold have been uniquely identified and certified to the
5 retailer as required for classroom use, and the sale takes
6 place during the calendar day on the third Monday in January
7 or August.

8 By operation of Code section 423.6, an item exempt from the
9 imposition of the sales tax is also exempt from the use tax
10 imposed in Code section 423.5.